

## SELECTING THE CHARTER SCHOOL FACILITY

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The securing of your facilities for your school operations can determine to a large degree the success of the school. Facility decisions are some of the most important decisions an administrator will make.

There are four critical elements **in** the facility decision. They are:

1. The **school**
2. The **facility**
3. The **landlord**
4. The **real estate agent**

These four elements are like the legs of a table. If any one element is out of order, the table, or school, is out of order. From my perspective as a real estate agent, let's look at the elements of the facility decision.

### THE SCHOOL:

First thing, show me **your pedigree!** If you want responsive action by real estate agents and landlords, anticipate their questions and give the answers. This means having:

1. Your business plan
2. Your financial statements (balance sheet and operating statement)
3. Your source and use of funds, including the timing of the flow of funds. What about money for improvements and contingencies?
4. Your resumes (principals of the school)

Most of these items will have been part of your application for your school charter. Repackage them for the landlord.

Next, set your location and facility parameters. What is the geographic area in which you need to be to be located? Is there any flexibility? Do you know the number of students you will be serving? Initially? In one, two or future years? What will be the mix between boys and girls? What age groups will be served? The answers to these questions will provide direction to your real estate representative.

Obtaining a facility is like getting a loan. The landlord is going to lend you "money" in the form of a building and improvements, and the landlord wants to be repaid. Do you qualify for the loan?

## THE FACILITY:

In order for an agent to find the right facility, the schools' needs have to be specified. A brief checklist follows:

1. Administrative space:
  - Number and size of offices
  - Number and size of teacher lounges
  - Size of support areas (copy machines, supplies, conference rooms, sick room, etc.)
  - Admissions area
2. Classrooms:
  - Number and size of classrooms
  - Flooring requirements
  - Lighting requirements
  - Special requirements (water and drains, sound suppression, etc.)
3. Outdoor area requirements:
  - Size of space
  - Composition of ground
  - Shade and water
  - Student drop/pick up area (traffic flow, safety, parking, handicap accessibility)
4. Fire safety:
  - Alarm system
  - Adjacent uses
  - Fire walls
  - Exits
5. Improvements:
  - Design
  - Cost (who pays)
  - Timing (design, permits, construction)
6. Other considerations:
  - Zoning and CC&Rs (conditions, covenants & restrictions)
  - Adjacent and nearby land uses
  - Signage

7. Buy v. Lease:

- Flexibility
- Short term v. Long term

**THE LANDLORD:**

Most people when looking for space consider only the facility. There are other elements of the facility decision that need to be addressed:

1. What is the financial strength of the landlord? Does the landlord have the money to complete the improvements?
2. Is the property being maintained? Is there deferred maintenance, the cost of which the landlord may assess against the tenants?
3. Is the landlord local, or out of area? Who makes the decisions and how long does it take to get a response?
4. Is there a management company? What is known about the company?
5. What type lease agreement will be signed? What are the lease terms (length, options, common area expenses, rent escalations, etc.)?

From whom you lease your facility is as important as the facility itself. If you experience difficulties during the term of the lease, will your landlord work with you?

**THE AGENT:**

Each party in a real estate transaction has the right to be represented. If you are dealing directly with the landlord's agent, you are not being represented. In considering a real estate representative, you need to consider:

1. The experience of the agent
2. The time the agent has available to devote to your assignment
3. Whether you will use one agent exclusively, or work with several
4. Compensation of the agent (landlords usually pay the fee)

In addition to the above four critical elements, other valued members of your facility team should include your legal counsel and your accountant or financial advisor. Your facility decisions are critical to the success of your school's operations. Get the best help you can find.

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